



Fact Sheet - Post 76 - Veterans Housing

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Continuing the Benefit:

Eligibility for Participation in Qualified Veterans Home Mortgage Bond-Funded Veterans Housing Programs by Post-1976 Veterans

The United States of America is once again at war. Unless action is taken by Congress, the veterans returning from this conflict will come home to diminished benefits. One of the benefits that has been offered to veterans for more than 80 years is the ability to obtain a loan to buy a home in the land they defended. This benefit, which gave states the ability to issue Qualified Veterans Home Mortgage Bonds for housing, will not be available because of limitations imposed by federal law.

- Close to 2.5 million veterans make their home in California.
 - Of those, 1 million began their active military service on or after January 1, 1977.
 - Over a quarter of a million of those served in Operation Desert Storm.
- Since 1922, California has operated the Cal-Vet Home Loan Program at no expense to the state general fund.
- Cal-Vet has helped over 410,000 California wartime veterans become homeowners.
- In addition to California, QVMB veterans home loan programs are operated by the states of Alaska, Oregon, Texas and Wisconsin.
 - The voters of all of these states have overwhelmingly supported these loan programs.
 - 2.5 million veterans make their homes in these additional states and of that number nearly one-half million commenced their service on or after January 1, 1977.

Currently, Section 143(l)(4) of the Internal Revenue Code specifies the following:

“(4) Qualified Veteran-For purposes of this subsection, the term “qualified veteran” means any veteran

(A) who served on active duty at some time before January 1, 1977, and

(B) who applied for financing before the later of

- (i) the date 30 years after the last date on which such a veteran left active service, or
- (ii) January 31, 1985.”

- By limiting the QVMB programs to pre-1977 Veterans, California and the other four states are faced with a two-fold problem:
 - 1. the programs will effectively end in 2007
 - 2. without the loan program, an estimated \$3 billion will disappear from available mortgage funds in California.
- This federal statute devalues the military service of men and women who have voluntarily worn the military uniform of the United States since 1977, by denying them access to a benefit that has been available to their comrades-in-arms from other eras for more than three-quarters of a century.
- All veterans who served in uniform during a time of war should be given the same respect and stature regardless of the period of time their service was provided.
- The men and women who have maintained the stability of the world since 1977 should have an opportunity to take root in the communities they have defended, as veterans of World War II, Korea and Vietnam have had.

- As military downsizing and restructuring continues, veterans are separating from active service and returning to civilian life in California at the rate of 2,000 individuals per month
- Access to competitively priced home loan programs by returning veterans is an essential part of their successful reintegration into our civilian society.
- The population in California, according to the year 2000 census, has increased by 4.5 million in 10 years. The California Department of Housing and Community Development estimates that the need for housing to be more than 220,000 units per year for the next 23 years.
- Housing requires funding! The housing portfolio for the Cal-Vet mortgage program is close to \$2 billion. The failure to continue this source of funding for veterans will only necessitate the Federal Government replacing QVMB funding through other sources.
- Given the climate in the country today and the increased need for security and protection, rewarding our nation's military veterans is more important than ever before. The continued use of the QMVB programs is critical to minimizing the economic sacrifices facing our men and women of the armed forces, and is a positive incentive for new service entrants.
- In addition to simply doing what is right by our military service members, we believe that the economic stimulus provided by these self-sustaining programs more than offsets any projected or potential revenue loss.

- Opening participation in this home loan benefit to post-1976 veterans requires no direct budget expenditure by Congress, and the well-established benefits of home ownership to local communities will be enhanced and expanded.
- We call on Congress to enact, and the President to sign, legislation that will continue the state-controlled home mortgage benefit that veterans have enjoyed since 1922. It is incumbent upon the federal government to allow the states to enable veterans who have served since January 1, 1977, to participate in home loan programs funded through the sale of Qualified Veterans Mortgage Bonds. These states should be allowed to continue the benefits they have offered the veterans of the past to the veterans of today.

**H.R. 1742, “THE VETERANS AMERICAN DREAM OF
HOMEOWNERSHIP ACT”
NEEDS TO BECOME A REALITY.**